

NO/Prop61

Deceptive \mathcal{R} Proposition

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Prop 61 Will Hinder Medical Research and Innovation, Potentially Disrupting New Life-Saving Cures

Proposition 61 is opposed by a broad coalition of more than 170 organizations representing patient advocates, doctors and clinics, taxpayer groups and many others who warn this deceptive, deeply-flawed scheme would be bad for patients.

The measure would impose unworkable contracting requirements for some state prescription drug purchases based on prices paid by the U.S. Department of Veterans Affairs (VA). But independent experts warn the measure could increase state prescription drug costs, while reducing patient access to medicines. Prop 61 would also discourage additional research into treatments and cures.

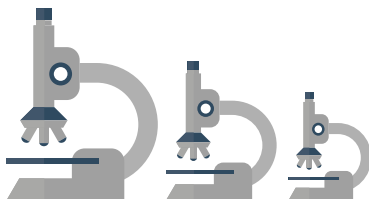
Here are some important facts:

Prop 61 Threatens the Research Needed to Develop New Medicines and Cures

If California and other states pass laws that set price limits on innovative drugs, it would limit investments in the research and development of new drugs and life-saving cures.

The cost for the many years of research, testing and development averages \$2.6 billion for just one prescription drug, according to a nationally recognized study by the Tufts Center for the Study of Drug Development.

By discouraging investment in the research and development of new medications, Prop 61 could also harm California's burgeoning life sciences sector, which has generated nearly \$130 billion in revenues and more than 1 million California jobs, including 281,000 directly employed in the industry.



Importance of California Life Sciences Research and Development

In 2015, there were 1,235 new drugs in California's drug development pipeline.

- 366 to treat cancer
- 151 for infectious disease
- 109 to address central nervous system conditions

There were a total of 3,111 clinical trials in California in 2013, with 125,613 clinical trial participants.

Prop 61 Would Disrupt Patient Access to Needed Medicines

Prop 61 would invalidate many existing drug discount agreements the state has negotiated with pharmaceutical manufacturers for its Medi-Cal fee-for-service program.

Invalidating these contracts would take many medicines off the Medi-Cal preferred drug list. Patients would then be required to go through a cumbersome and bureaucratic prior approval process before receiving medicines, putting state bureaucrats between patients and their doctors. This could lead to delays in treatment or even denial of coverage for needed medicines.

In its analysis, the California Public Employee Retirement System (CalPERS) says the initiative could lead to *"decreased access to certain drugs for CalPERS members."*

Prop 61 Would Increase Prescription Drug Costs for the State

By invalidating many of the drug discount agreements the state has negotiated, Prop 61 would also increase California's prescription drug costs.

The state's nonpartisan Legislative Analyst's Office said the initiative's new contracting requirements would "endanger the supplemental rebates" the state currently collects on prescription drug purchases and "in such circumstances, the measure could raise (Department of Health Care Services) DHCS spending on prescription drugs." The state currently receives approximately \$100 million annually in rebates that Prop 61 puts at risk.

*"CMTA supports the research and innovation done in California to improve health outcomes and lower costs for care. **Prop 61 will only hamper the ability to find new cures and could directly increase state healthcare costs by limiting drug rebates.**"*



**– Dorothy Rothrock, President
California Manufacturers &
Technology Association**

Paid for by No on Prop 61 – Californians Against the Deceptive Rx Proposition, a coalition of veterans, doctors, patient advocates, seniors, taxpayers, and members of Pharmaceutical Research and Manufacturers of America with major funding by Merck & Co., Inc., Pfizer, Inc. and other companies.